

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: March 25, 1953

SUBJECT: Relations with Guatemala

PARTICIPANTS: Ambassador Guillermo Toriello Garrido of Guatemala
 ARA - Mr. Cabot
 MID - Mr. Fisher

COPIES TO: ARA - Mr. Cabot
 American Embassy, Guatemala (Informally)
 ARA Board
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Mr. Toriello said he planned to leave on Monday, March 30 for a week in Guatemala and wished to call on Mr. Cabot before departing. He referred to what he called the press campaign in the U.S. against Guatemala, and exhibited a newspaper distributed to school children called "Our Times" containing a reference to Guatemala which he said would give the children the impression that his country is Communist. Mr. Cabot said he was sure the paper was not an official government publication. Mr. Toriello referred to an article by a Dr. Toledano in a recent issue of the American Mercury which he said was so mendacious that he even thought about bringing suit on it. He then displayed a copy of Mr. Braden's recent speech at Dartmouth, pointing out the reference to Mr. Chocano, his Counselor of Embassy, which charges him with having been ejected from Nicaragua for carrying Communist propaganda. Mr. Toriello said the charge was utterly false, and described the conditions under which Mr. Chocano left Nicaragua. Mr. Cabot said that Mr. Braden was not in the Government and his views were his own. He added that he was glad to hear that the charge was false.

Mr. Toriello brought up the matter of the Aviatega application for a permit to fly to the U.S., which he said had been delayed by the Department for a very long time. Mr. Fisher said the application was under study and that it would probably go forward to the Civil Aeronautics Board soon.

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Mr. Toriello

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Dr. Toriello mentioned the matter of pending license applications for arms, specifically tank parts. Mr. Fisher said the application is under study, and that certain findings had to be made regarding availability, etc. Mr. Cabot said that, nevertheless, we had to be sure about the orientation of the people who were going to get the arms. He emphasized that the U.S. Government is very seriously concerned over the infiltration of Communists in the Guatemalan Government, and said that he felt all the other problems pertaining to our relations with Guatemala were subsidiary to this central issue and could be settled without undue difficulty once the matter of Communism was cleared up.

Dr. Toriello thought we overestimated the importance of Communism and restated at length, and in various ways, his theme that the charges of Communism in Guatemala were false and were made by people opposed to the social-economic reforms being made by the present Administration.

Mr. Cabot again emphasized that this Government was not desirous of impeding social-economic reform in any country, nor in giving credence to false statements about Guatemala, but that the U.S. was definitely concerned over the evident infiltration of a dangerous foreign influence into the Guatemalan Government.

Dr. Toriello replied that of his own knowledge he could state that there were no foreign Communists of importance in his country and said that his country had no diplomatic relations with any Communist state. He brought up the names of the Guatemalans, Solórzano and Gutiérrez, dismissing the first as not being in the Administration, but merely the elected head of the autonomous social security institution. As for Gutiérrez, he acknowledged that he was a local Marxist and that he was an important labor leader, but said his rise was only due to the youth and inexperience of the Guatemalan labor movement, and that he would disappear in time. He mentioned his suggestion to Ambassador Schoenfeld that Guatemalan labor leaders visit the U.S. He said there was no foreign Communist influence of consequence in the Guatemalan Government, and added that if we had information of secret Communists in it, his Government would be grateful for it in order to defend itself. Mr. Cabot replied that such matters were, of course, the responsibility of the Guatemalan Government. Dr. Toriello said Guatemala's neighbors were professing alarm over Guatemalan Communism, but in reality their alarm was only that of the wealthy landowners over agrarian reform. Dr. Toriello said that he was sure that the anti-Communist campaign against Guatemala would go on as long as she

maintained

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maintained her reform program, even if every Communist in the country were somehow eliminated. Mr. Cabot said that he felt that it might take some time for complete confidence to be re-established between the peoples of Guatemala and the United States, but that no progress could be made in that direction at all while the key problem of Communist infiltration there remained unresolved.

Mr. Cabot said that among the subsidiary problems was that of the United Fruit Company expropriation, and proceeded to give Dr. Toriello the substance of the Aide-Mémoire relating to the subject.

Mr. Toriello said he would bring a prompt reply but added that the Government's intention was not to drive the company out of the country but to subject the company to the provisions of its laws. He gave the story of his own expropriation, concluding that payment of the declared tax valuation was just payment. He said the Agrarian Law included provisions for the rental of nationalized lands, which could be used to meet the company's needs for lands. He went on to discuss what he called the bad behavior of the company in the past, and mentioned the recent imposition by the railroad of a 15 cent per quintal tax on cargo moved from its pier at San Jose to the immediately adjacent highway terminal facilities, just as the Government finished paving the road paralleling the railroad to the capital. He said the tax was withdrawn shortly afterwards. He said the Fruit Company paid \$75 per car to ship its bananas on the railroad, while Guatemalans were charged \$575 per car, and that the Government therefore had to build the Atlantic Highway to provide fair competition.

Mr. Toriello asked about his note on the Inter-American Highway of last December, in which his Government accepted all the conditions set down by the U.S. Government. Mr. Cabot replied that the highway was another subsidiary matter which could be settled more or less quickly once the basic question of Communist infiltration in the Government of Guatemala was resolved.

Mr. Toriello said that he might return to Guatemala again in order to be there during Mr. Cabot's visit between April 25 and 28.

The conversation between Mr. Cabot and Mr. Toriello, which was friendly and frank, lasted a little over one hour.

Mr. Cabot handed Mr. Toriello an Aide-Mémoire on the subject of the expropriation of United Fruit Company properties.

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